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9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

11 In Re:

12 RAJPAL SINGH BHULLAR,

13 Debtor.

Case No.: 10-61905 - CN

Chapter 11

**DECLARATION OF RAJPAL SINGH
BHULLAR IN OPPOSITION TO
MOTION BY UNITED STATES
TRUSTEE TO CONVERT CASE
PURSUANT TO 11 U.S.C. § 1112(b)**

Judge: Hon. Charles Novak
Date: April 7, 2011
Time: 11:00 a.m.
Place: Courtroom 3070

19 I, Rajpal Singh Bhullar, hereby declare as follows:

20
21 1. I am the debtor in the above-referenced Chapter 11 bankruptcy. As such, I
22 have actual knowledge of the statements contained herein except those based upon
23 information and belief, as to those matters, I am informed and believe them to be true.

24 If required, I could and would testify competently thereto.
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1 2. This Declaration is made in opposition of MOTION BY UNITED STATES
2 TRUSTEE TO CONVERT CASE PURSUANT TO 11 U.S.C. § 1112(b) filed February 24,
3 2011.
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5 3. This case was commenced on November 17, 2010, a little over a month after my
6 previous Chapter 11 Bankruptcy (case no. 10-54935) was voluntarily dismissed.
7

8 4. In the time between the previous case dismissal and filing of my current case, I
9 was able to sell one real property of my estate, 1958 Jensen Ave., Sanger, CA 93657
10 and reduce my overall debt burden.
11

12 5. In January of 2011, Paolo LLC, sold its asset: 5th Wheel Truck Stop. The
13 property sold for \$3.25M. I was able to satisfy \$2.5M of debt and taxes from the
14 proceeds of this sale. I am the sole shareholder of Paolo, LLC. The remaining funds
15 from the sale will be used to pay off my creditors in order of priority.
16

17 6. At the time of filing, the primary assets in my bankruptcy estate consisted of
18 four pieces of real property. A gas station is operated on each of the real properties. I
19 generate income through receipt of rental proceeds from leasing these gas stations.
20
21 The properties are listed below:
22

23 a. 1063 E. Pacheco Blvd., Los Banos, CA 93635 (hereafter, "1063 E.
24 Pacheco") – Operated as a Union 76 Station
25

26 b. 32932 W. Sullivan Road, Gustine, CA 95322 (hereafter, "32932 W.
27 Sullivan Road") – Operated as a Shell Station
28

c. 32923 W. Sullivan Road, Gustine, CA 95322 (hereafter, "32923 W. Sullivan Road")– Operated as a Union 76¹ Station

d. 918 Oller St., Mendota CA 93649 (hereafter, "918 Oller St.") – Operated as a Circle 7 Station

7. Upon filing, I began the process of opening up new DIP accounts for each rental property in my estate, and a personal DIP account. Currently, I possess five DIP accounts:

DIP Account	Purpose
US Bank Account #0435	Collect Rents From 1063 E. Pacheco Blvd.
US Bank Account #0468	Collect Rents From 32932 W. Sullivan Rd. Shell Station
US Bank Account #0450	Collect Rents From 32932 W. Sullivan Rd. Union 76 Station
US Bank Account #0443	Collect Rents From 918 Oller St
US Bank Account #0468	Personal Account

8. I tried to collect rents from my current tenants at the properties listed above. All attempts were unsuccessful as the tenants wrongly believed that their liability for paying rents ended upon my entry into bankruptcy. Even after explanation of my legal rights and their responsibilities, the tenants resisted the collection of rents to enrich themselves through free use of a gas station. I instituted and personally prosecuted all eviction proceedings, which took up a great deal of my time and

¹ There are two gas stations located on the property at 32932 W. Sullivan Road, Gustine, CA – Operated as a Shell Station

1 energy over the past few months. However, devoting my time to this endeavor
2 enabled me to evict the tenants of the three gas stations located at 32932 W. Sullivan
3 Road, 32923 W. Sullivan Rd., and 1063 E. Pacheco Blvd., which allowed me to seek
4 and procure paying tenants to improve my overall financial situation.
5

6 9. I have found a buyer, PBGB, Inc., for 32932 W. Sullivan Road, 32923 W.
7 Sullivan Rd., and 1063 E. Pacheco Blvd. PBGB, Inc. has entered into purchase
8 agreements for the three properties. See attached "**Exhibit A**" attached hereto. A
9 motion will be filed to seek Court approval for the sale of these three properties.
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12 10. At the same time PBGB, Inc. leased 32932 W. Sullivan Road, 32923 W. Sullivan
13 Rd., and 1063 E. Pacheco Blvd. to use as gas stations for a five year term. See "**Exhibit**
14 **B**" attached hereto. This lease will continue in effect until the pending sale of the
15 properties is finalized following Court approval. This lease agreement provides
16 sufficient income to the estate to pay expenses and make payments to the secured
17 creditors for each property.
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20 11. The sale of these properties should provide sufficient funds to pay off my
21 creditors, in order of priority. This is an essential element of my plan of
22 reorganization, which is to reduce my debt burden through the sale of all gas stations
23 with the exception of 918 Oller Street. I will use the rental proceeds from this
24 property to pay off the remainder of my debt and emerge from bankruptcy.
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1 12. I was also able to reach agreement with the remaining tenant for the station at
2 918 Oller Street, Awafh ali Abdulqawi, on March 31, 2011. I was able to enter into an
3 agreement with Mr. Adulqawi for payment of the rents under the current lease, in the
4 amount of \$3,500.00, from April 2011 onward. I have received the first payment and
5 deposited the monies in US Bank Account #0443. Also, Mr. Adulqawi and I have
6 entered into a new agreement concerning the \$10,975.00 in rents past due. Mr.
7 Adulqawi will pay an additional \$1,371.00 per month for eight payments to remedy
8 this past due amount. Payments are to begin on May 1, 2011. See attached "Exhibit
9 C" attached hereto.
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13 13. I began collecting rents in March 2011 and segregating in their appropriate DIP
14 account. A Motion for Use of Cash Collateral has been filed concurrently herewith.
15

16 14. As of April 6, 2011, I am current on my quarterly trustee fee obligation.
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18 15. As of April 6, 2011, I am current on my monthly operating report obligation.
19

20 16. I filed amended schedules reflecting the status of my Chapter 11 estate on April
21 6, 2011.

22 17. I have worked laboriously on the steps necessary to substantially comply with
23 all requirements of the United States Bankruptcy Court. My lack of providing
24 monthly operating reports and payments to the US Trustee was in error. Instead of
25 allocating the time necessary to prepare and file timely operating reports, I was
26 spending nearly every waking hour working to resurrect my financial situation. I
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1 believed this commitment was necessary for my estate to begin the process of
2 reorganization and produce cash through rental proceeds, to the detriment of my
3 reporting obligation. My monthly operating reports are now current through
4 February 2011. My March MOR is not yet due.
5

6 18. I am now current on all my obligations under the United States Bankruptcy
7 Code and will work tirelessly with my attorney to finalize a consensual plan of
8 reorganization in the near future. I humbly request that the Court allow me to move
9 forward with my Chapter 11 Bankruptcy and the reorganization of my estate.
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12 I declare under penalty of perjury under the laws of the United States of
13 America that the foregoing is both true and correct. Executed this April 6, 2011, in San
14 Jose, California.
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18 /s/ Rajpal Singh Bhullar

19 Rajpal Singh Bhullar
20 Debtor
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